and Rural Development (NABARD) has formulated a new scheme for providing loans to tenant farmers and oral lessees for raising crops recently. Under the scheme, NABARD facilitate formation and financing of groups of tenant farmers for raising crops by organizing them into groups known as 'Tenant Farmers' Groups (TFGs)'. The objective of the scheme is to provide crop loan through institutional agencies to tenant farmers, oral lessees and farmers having land without proper records who are not being extended adequate credit support by banks due to the inability of the farmers in providing tangible securities and/or producing records regarding their rights on the crops cultivated. The scheme envisages refinance support to the extent of 100% by NABARD to the State Co-operative Banks (SCBs)/ District Central Co-operative Banks (DCCBs) for providing loans to the groups.

Rate of interest on loans raised by State Governments

1918. SHRI SURESH BHARDWAJ:

SHRI P.K. MAHESHWARI:

Will the Minister of FINANCE be pleased to state:

(a) the total amount of loans, category-wise, and the agency from which obtained with rate of interest in each case, raised by each State Government in the country;

(b) whether there is any limit beyond which a State Government cannot raise a loan; if so, whether any State Government transgressed this limit;

(c) if so, the names of State Governments which are defaulters; and

(d) what does Central Government propose to do to help improve the financial position of the State, including writing off the loan?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) A Statement showing state-wise and category-wise loans of State governments as on 31.3.2004 (BE) is annexed. (*See below*) Interest rate vary from loan and are also renegotiated/ reset by States with lenders, wherever agreed/provided for in the loan agreement. Government of India's rate of interest on plan loans currently is 9%.

(b) and (c) Government of India is determining and providing indicative borrowing ceilings for each State to the Planning Commission for finalising

plan resources. As States require consent of GoI to borrow under Article 293 (3) of the Constitution, no transgression is feasible.

(d) In order to supplement the efforts of the State Governments towards fiscal consolidation, Government of India has created "States' Fiscal Reforms Facility (2000-01 to 2004-05)", in accordance with the recommendation of the Eleventh Finance Commission. The Scheme incentivises States to undertake fiscal reforms programme in the medium term, *inter alia,* aiming at reducing their revenue deficit over the reform period, by way of improving tax and non-tax receipts and reprioritizing expenditure. Waiver/rescheduling/write off of GoI loans to States is considered on the recommendations of the Central Finance Commissions.

Statement

State-wise Composition of Outstanding Liabilities As on 31.03.2004 (BE)

(Rs. in crore)

	State	Internal Debt	of which Special Securities issued to NSSF	Loans and Advances from Central Government	Provident Funds etc.	Total Debt
1		2	3	4	5	6
1	Andhra Pradesh	30,696	8,773	22,301	4,577	57,574
2	Arunachal Pradesh	183	12	631	304	1,118
3	Assam	8,619	2,667	4,111	2,313	15,043
4	Bihar*	23,858	11,967	18,295	7,729	49,882
5	Goa	1,566	663	1,339	545	3,449
6	Gujarat	30,689	18,949	20,990	3,639	55,318
7	Haryana	9,499	4,569	4,837	5,376	19,712
8	Himachal Pradesh	7,439	1,148	2,829	2,767	13,035
9	Jammu and Kashmir	3,925	742	4,615	3,377	11,916
10	Karnataka	17,067	7,163	14,856	6,169	38,091

1		2	3	4	5	6
11	Kerala	14,101	4,175	7,498	12,109	33,708
12	Madhya Pradesh*	17,940	7,453	14,571	8,377	40,888
13	Maharashtra	39,505	26,530	23,685	8,569	71,759
14	Manipur	921	18	908	634	2,463
15	Meghalaya	858	-	488	392	1,737
16	Mizoram	858	10	414	521	1,793
17	Nagaland	1,555	51	712	638	2,904
18	Orissa	13,145	2,463	12,133	8,479	33,756
19	Punjab	23,151	10,865	11,282	7,624	42,057
20	Rajasthan	26,842	14,175	11,199	10,674	48,714
21	Sikkim	383	35	293	231	908
22	Tamil Nadu	24,622	8,493	12,754	7,459	44,834
23	Tripura	1,101	-	889	1,841	3,831
24	Uttar Pradesh*	56,755	21,599	32,875	14,449	104,079
25	West Bengal	51,676	32,181	22,970	4,929	79,575
26	NCT Delhi	9,235	9,235	4,019	-	13,254
	TOTAL	416,188	193,935	251,492	123,720	791,400

*The States of Bihar, Madhya Pradesh and Uttar Pradesh include the liabilities of the newly formed States of Jharkhand, Chhattisgarh and Uttaranchal, respectively.

Source: Reserve Bank of India's report on State Finances-2003-04.

Probe into Hawala Transactions in Kerala

1919. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India, within last three years, has directed authorities for a detailed probe in Hawala transactions worth crores of rupees that occurred in Kerala;